

Telecom to Discuss CIP Reporting – July 11, 2008

Participants

Fred Carr – Air Force
David Horn – Dept of Interior
Ken Schreier – AOC
Tom Lyden – Kearney & Co

Discussion

Mr. Fred Carr, as the Co-Chair of the Use Subgroup - AAPC GPP&E Taskforce, contacted Dept of Interior to get an understanding of how DOI develops the Work-In-Process (WIP) balance reflected on the balance sheet.

The discussion started with Mr. Fred Carr providing Mr. David Horn an overview of CIP and WIP white papers the support team had prepared and stressed the focus was on Personal Property and the capitalization of these assets. Mr. Carr mentioned recent discussions with NASA on the same topic.

Mr. Ken Schreier provided a summary of the DoD position regarding progress payments based on a percentage of cost incurred did not represent WIP to the Government.

Mr. David Horn indicated that the WIP balance reported by DOI would not be significant. He mentioned the thresholds for Internal Use Software (\$250K) and Real Property (\$100K). Mr. Horn mentioned there were two areas in which DOI might have larger impact with WIP. He would research The Bureau of Reclamation's Turbines for Dam projects and USGS satellite projects to determine any significant WIP impact.

All agreed that this was a useful exchange of information and Mr. Horn will contact Mr. Schreier with details related to his two future research areas next week. Mr. Carr emphasized the need to capture WIP accounting policy from as many federal agencies as possible to clarify specific need in developing future implementation guidance.

Mr. Ken Schreier agreed to coordinate with Mr. Horn on DOI's contributions to the issue and consolidate information previously received from NASA.